

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7852

BILL NUMBER: SB 627

NOTE PREPARED: Feb 1, 2005

BILL AMENDED:

SUBJECT: Hospital Staffing Levels.

FIRST AUTHOR: Sen. Smith S

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2005	FY 2006	FY 2007
State Revenues			
State Expenditures		210,600	198,300
Net Increase (Decrease)		(210,600)	(198,300)

Summary of Legislation: This bill requires a hospital to file an annual staffing plan with the State Department of Health (ISDH). The bill provides that the staffing plan is part of the Department of Health's: (1) report to the General Assembly; and (2) consumer guide to hospitals.

The bill provides for minimum hospital staffing requirements. It requires hospitals to maintain certain daily records. It also establishes maximum time periods that a hospital employee may be on duty. The bill requires hospitals to prepare a work assignment policy.

The bill also allows the Department of Health or another person to take action for violations by the hospital. The bill prohibits a hospital from penalizing or retaliating against an employee who in good faith reports violations or suspected violations, participates in investigations, discusses the violations, or exercises the employee's rights. It further provides that a hospital that takes adverse action against an employee for certain actions is liable for certain damages and costs.

It allows the court to issue an injunction against a hospital for certain violations.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The bill requires an expansion of ISDH oversight of the staffing requirements of acute care hospitals. The Department reports that while most of the requirements of the bill can be accomplished within the existing framework of the licensure and certification investigation and survey, additional staff would be required to perform the increased investigation, survey, oversight, and reporting required. The Department reports an additional 5 positions would be necessary; 3 full-time positions and 2 part-time positions. The additional cost is estimated to be approximately \$210,600 in the first year and \$198,300 in the second year. If the additional requirements of the bill are not federal certification requirements, the additional expense will require 100% state General Funds.

The bill will require the ISDH to amend existing rules and adopt rules as specified. The ISDH should be able to accomplish the promulgation of rules within the current level of resources available.

The provisions of the bill do not apply to psychiatric and state-operated facilities that are certified by the Division of Mental Health and Addiction.

Explanation of State Revenues:

Explanation of Local Expenditures: County-owned hospitals licensed by the ISDH would have increased reporting, records retention, and staffing expenses as a result of the provisions of this bill.

Explanation of Local Revenues:

State Agencies Affected: Indiana State Department of Health.

Local Agencies Affected: County-owned hospitals

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